

(b) **REQUIREMENT FOR INFORMATION SHARING.**—The Secretary of State shall conclude an information sharing arrangement with the heads of United States Customs Service and the Census Bureau to adjust the Automated Export System to parallel information currently collected by the Department of State.

(c) **SECRETARY OF TREASURY FUNCTIONS.**—Section 303 of title 13, United States Code, is amended by striking “, other than by mail.”.

(d) **FILING EXPORT INFORMATION, DELAYED FILINGS, PENALTIES FOR FAILURE TO FILE.**—Section 304 of title 13, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “the penal sum of \$1,000” and inserting “a penal sum of \$10,000”; and

(B) in the third sentence, by striking “a penalty not to exceed \$100 for each day’s delinquency beyond the prescribed period, but not more than \$1,000, shall be exacted” and inserting “the Secretary of Commerce (and officers and employees of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed \$1,000 for each day’s delinquency beyond the prescribed period, but not more than \$10,000 per violation”;

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

“(b) Any person, other than a person described in subsection (a), required to submit export information, shall file such information in accordance with any rule, regulation, or order issued pursuant to this chapter. In the event any such information or reports are not filed within such prescribed period, the Secretary of Commerce (and officers and employees of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed \$1,000 for each day’s delinquency beyond the prescribed period, but not more than \$10,000 per violation.”.

(e) **ADDITIONAL PENALTIES.**—

(1) **IN GENERAL.**—Section 305 of title 13, United States Code, is amended to read as follows:

“§305. Penalties for unlawful export information activities

“(a) **CRIMINAL PENALTIES.**—(1) Any person who knowingly fails to file or knowingly submits false or misleading export information through the Shippers Export Declaration (SED) (or any successor document) or the Automated Export System (AES) shall be subject to a fine not to exceed \$10,000 per violation or imprisonment for not more than 5 years, or both.

“(2) Any person who knowingly reports any information on or uses the SED or the AES to further any illegal activity shall be subject to a fine not to exceed \$10,000 per violation or imprisonment for not more than 5 years, or both.

“(3) Any person who is convicted under this subsection shall, in addition to any other penalty, forfeit to the United States—

“(A) any of that person’s interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

“(B) any of that person’s interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

“(C) any of that person’s property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

“(b) **CIVIL PENALTIES.**—The Secretary (and officers and employees of the Department of Commerce specifically designated by the Secretary) may impose a civil penalty not to exceed \$10,000 per violation on any person violating the provisions of this chapter or any rule, regulation, or order issued thereunder, except as provided in section 304. Such penalty may be in addition to any other penalty imposed by law.

“(c) **CIVIL PENALTY PROCEDURE.**—(1) When a civil penalty is sought for a violation of this section or of section 304, the charged party is entitled to receive a formal complaint specifying the charges and, at his or her request, to contest the charges in a hearing before an administrative law judge. Any such hearing shall be conducted in accordance with sections 556 and 557 of title 5, United States Code.

“(2) If any person fails to pay a civil penalty imposed under this chapter, the Secretary may ask the Attorney General to commence a civil action in an appropriate district court of the United States to recover the amount imposed (plus interest at currently prevailing rates from the date of the final order). No such action may be commenced more than 5 years after the order imposing the civil penalty becomes final. In such action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

“(3) The Secretary may remit or mitigate any penalties imposed under paragraph (1) if, in his or her opinion—

“(A) the penalties were incurred without willful negligence or fraud; or

“(B) other circumstances exist that justify a remission or mitigation.

“(4) If, pursuant to section 306, the Secretary delegates functions under this section to another agency, the provisions of law of that agency relating to penalty assessment, remission or mitigation of such penalties, collection of such penalties, and limitations of actions and compromise of claims, shall apply.

“(5) Any amount paid in satisfaction of a civil penalty imposed under this section or section 304 shall be deposited into the general fund of the Treasury and credited as miscellaneous receipts.

“(d) **ENFORCEMENT.**—(1) The Secretary of Commerce may designate officers or employees of the Office of Export Enforcement to conduct investigations pursuant to this chapter. In conducting such investigations, those officers or employees may, to the extent necessary or appropriate to the enforcement of this chapter, exercise such authorities as are conferred upon them by other laws of the United States, subject to policies and procedures approved by the Attorney General.

“(2) The Commissioner of Customs may designate officers or employees of the Customs Service to enforce the provisions of this chapter, or to conduct investigations pursuant to this chapter.

“(e) **REGULATIONS.**—The Secretary of Commerce shall promulgate regulations for the implementation and enforcement of this section.

“(f) **EXEMPTION.**—The criminal fines provided for in this section are exempt from the provisions of section 3571 of title 18, United States Code.”.

(2) **CLERICAL AMENDMENT.**—The table of sections at the beginning of chapter 9 of title 13, United States Code, is amended by striking the item relating to section 305 and inserting the following:

“305. Penalties for unlawful export information activities.”.

SEC. 845. CONGRESSIONAL NOTIFICATION OF REMOVAL OF ITEMS FROM THE MUNITIONS LIST.

Section 38(f)(1) of the Arms Export Control Act (22 U.S.C. 2778(f)(1)) is amended by striking the third sentence and inserting the following: “The President may not remove any item from the Munitions List until 30 days after the date on which the President has provided notice of the proposed removal to the Committee on International Relations of the House of Representatives and to the Committee on Foreign Relations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A(a) of the Foreign Assistance Act of 1961. Such notice shall describe the nature of any controls to be imposed on that item under any other provision of law.”.

SEC. 846. CONGRESSIONAL NOTIFICATION THRESHOLDS FOR ALLIED COUNTRIES.

The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in paragraphs (1) and (3)(A) of section 3(d), by adding after “at \$50,000,000 or more” each place it appears the following: “(or, in the case of a transfer to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment valued (in terms of its original acquisition cost) at \$25,000,000 or more, or of defense articles or defense services valued (in terms of its original acquisition cost) at \$100,000,000 or more)”;

(2) in section 36(b)(1), by adding after “for \$14,000,000 or more” the following: “(or, in the case of a letter of offer to sell to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment under this Act for \$25,000,000 or more, any defense articles or services for \$100,000,000 or more, or any design and construction services for \$300,000,000 or more)”;

(3) in section 36(b)(5)(C), by adding after “or \$200,000,000 or more in the case of design or construction services” the following: “(or, in the case of a letter of offer to sell to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, any major defense equipment for \$25,000,000 or more, any defense articles or services for \$100,000,000 or more, or any design and construction services for \$300,000,000 or more)”;

(4) in section 36(c)(1), by adding after “\$50,000,000 or more” the following: “(or, in the case of an application by a person (other than with regard to a sale under section 21 or section 22 of this Act) for a license for the export to a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, of any major defense equipment sold under a contract in the amount of \$25,000,000 or more or of defense articles or defense services sold under a contract in the amount of \$100,000,000 or more)”;

(5) in section 63(a), by adding after “\$50,000,000 or more” the following: “(or, in the case of such an agreement with a country which is a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at \$25,000,000 or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at \$100,000,000 or more)”.

Subtitle C—Authority to Transfer Naval Vessels

SEC. 851. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) **AUTHORITY TO TRANSFER.**—

(1) **BRAZIL.**—The President is authorized to transfer to the Government of Brazil the “Newport” class tank landing ship Peoria (LST 1183). Such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) **POLAND.**—The President is authorized to transfer to the Government of Poland the “Oliver Hazard Perry” class guided missile frigate Wadsworth (FFG 9). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) **TAIWAN.**—The President is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the “Kidd” class guided missile destroyers Kidd (DDG 993), Callaghan (DDG 994), Scott (DDG 995), and Chandler (DDG 996). Such transfers shall be on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).